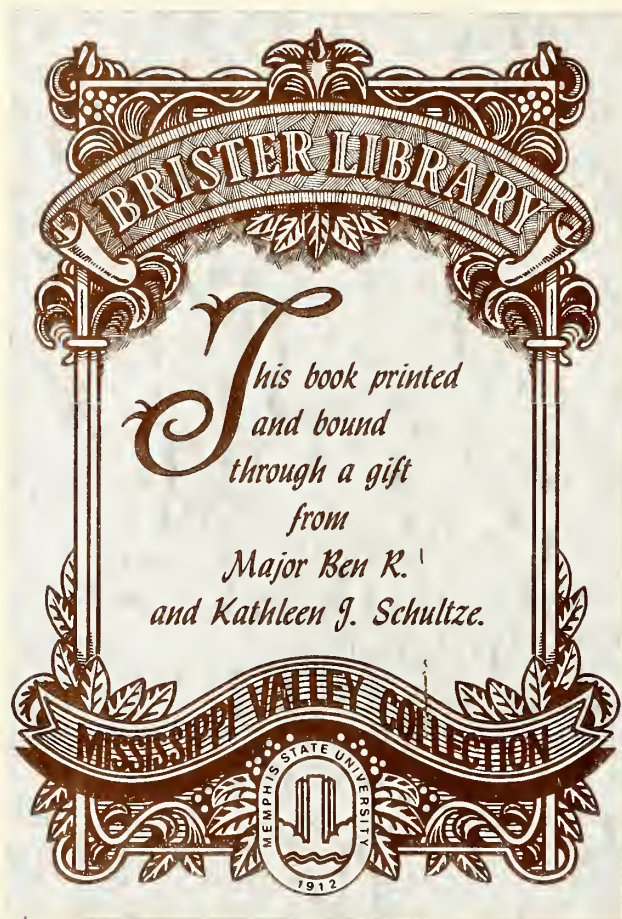


ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY
INTERVIEWS WITH
STATES R. G. FINLEY

BY - CHARLES W. CRAWFORD
TRANSCRIBER - BRENDA P. MEIER
ORAL HISTORY RESEARCH OFFICE
MEMPHIS STATE UNIVERSITY



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ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY

INTERVIEWS WITH STATES R. G. FINLEY

JULY 23, 1971

BY CHARLES W. CRAWFORD

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ORAL HISTORY RESEARCH OFFICE

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PLACE: Chattanooga, Tenn.

DATE: July 23, 1971

States R. G. Finley
STATES R. G. Finley
(Interviewee)

Charles W. Crawford

(For the Mississippi Valley Archives
of the John Willard Brister Library
of Memphis State University)

THIS IS THE ORAL HISTORY RESEARCH OFFICE OF MEMPHIS STATE UNIVERSITY.
THIS PROJECT IS "AN ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY."
THE PLACE IS CHATTANOOGA, TENNESSEE. THE DATE IS JULY 23, 1971, AND
THE INTERVIEW IS WITH MR. STATES RIGHTS GIST FINLEY, NOW RETIRED, LIVING
IN CHATTANOOGA. THE INTERVIEW IS BY DR. CHARLES W. CRAWFORD, DIRECTOR
OF THE MEMPHIS STATE UNIVERSITY ORAL HISTORY RESEARCH OFFICE, AND WAS
TRANSCRIBED BY MRS. BRENDA P. MEIER.

DR. CRAWFORD: Mr. Finley, I suggest that we start by
getting some background information about
your life, your early experiences, your education and what you did before
you first came to be in contact with TVA.

MR. FINLEY: Well, I'm a native of South Carolina,
and a graduate of electrical and mechanical engineering from Clemson University. Incidentally I have an honorary Doctor of Laws Degree from Clemson University they give me two years ago, and also at the same time I received the Distinguished Alumni Award. Why I got those things, I don't know. I'm sure the college made a mistake with it.

Now, when I came back from the end of World War I--U. S. Marine Corps--I'd always had an idea I wanted to be in the electric light and power business; and I went to Toledo, Ohio and went to work for Henry L. DORITY and Company, which was the operating managers and owners of

Cities Service Company. While there I met a consulting engineer who was in charge of the project . . . No, that's wrong maybe. I left Henry L. Dority and Company and did consulting work for two years with the Ohio Farm Bureau building rural electrification lines. I built 300,000 miles of rural lines for the Ohio Farm Bureau in 1935 and '36. A consulting engineer who had given me that assignment was also the consulting engineer for the city of Chattanooga and the city of Memphis--who at that time was beginning activity to acquire a power system and buy their power from TVA. I came down to Chattanooga at Mr. Troy Huffman's suggestion--he was a consulting engineer. He's now dead, of course, and was employed by the Electric Power Board of Chattanooga in 1936. I didn't come down for duty until 1937 because they didn't have any money with which to pay any consulting engineers and so on. But I came down full time on July 12, 1937 and assembled an engineering staff and began the project of laying out and designing a power system to serve the city of Chattanooga. That was when I began to come in contact with TVA, and that was the first contact I had with them. I have never been employed by TVA. I've always been with the power board.

DR. CRAWFORD: May we go back a little, and I'll ask a few questions, several things before '37, Mr. Finley. What was the nature of your education at Clemson, and when did you graduate?

MR. FINLEY: I graduated in the class of 1918--May, 1918--and graduated in electrical and

mechanical engineering.

DR. CRAWFORD: After your graduation . . . ?

MR. FINLEY: I went into the United States Marine Corps in World War I, and served about a year in the Marine Corps until the war was over.

DR. CRAWFORD: At that time where did you serve? Did you get to Europe before the war ended?

MR. FINLEY: No, I did not. I was assigned, much to my chargin, as a drill instructor and was kept at Paris Island drilling recruits. Every once in awhile I saw what some recruit get after the rough treatment that marines give them--little boys instead of men back then in 1918 and '19.

DR. CRAWFORD: And when you came to Chattanooga then after your experience in Ohio, you came in '37, and you worked for the city of Chattanooga.

MR. FINLEY: I worked for the Electric Power Board which was in the element of the city of Chattanooga. The Electric Power Board had always been kept separate and apart from the rest of the city government, somewhat similar to what had happened in Memphis and Knoxville and Nashville.

DR. CRAWFORD: What was the nature of your work for the Electric Power Board?

MR. FINLEY: It was to layout and design and construct an electric power system to serve the city of

Chattanooga and the surrounding area, then served by the Tennessee Electric Power Company, which is one of Windel Willkie's Commonwealth and Southern Companies.

You might say that the real battle of TVA happened right in Chattanooga because at that time TVA had no market for their power. They had a lot of dams built--Norris Dam--but they had no market, and you can't run a power system without somebody to sell your electricity to, so what Chattanooga was doing was very important to TVA. We had a contract with the TVA--a thirty year contract--in which they were ready to deliver power anytime we were able or ready to buy it.

DR. CRAWFORD: TVA was ready to sell to the Electric Power Board.

MR. FINLEY: Yes, had contracted to do so.

DR. CRAWFORD: When did you negotiate that contract?

MR. FINLEY: The original was made in 1935, before I came to Chattanooga. I didn't negotiate the original contract. I negotiated many admendments to it and the contract was changed around so much to meet changing conditions.

DR. CRAWFORD: Did you find TVA easy to deal with?

MR. FINLEY: Yes, I've never found TVA difficult to negotiate with; I found them willing to accept improvements in things and contracts. TVA has had a very difficult job with about 150 municipalities, a great many rural electric co-ops, and a great many of them were interested only in the money end of

TVA. The city municipalities wanted the taxes, and if you allow these electrical projects served by TVA to be run to produce money to take the place of tax money, why, you might as well let the power companies have it back again. There would be no cheap power.

DR. CRAWFORD: How did TVA deal with this problem?

MR. FINLEY: TVA had always made a set of what they called terms and conditions under which they would sell electricity. Copies of that are very easily available. A particular section of that contract would deal with taxes. In other words, it limits the amount of taxes that the city can take from the power operation, which is a very good thing, and the amount of power that is committed by the contract is a very generous allotment. For instance, the city of Chattanooga is the largest taxpayer to the city and annually pays more taxes than all the rest of the utilities put together there.

DR. CRAWFORD: Now, TVA of the Electric Power Board?

MR. FINLEY: The Electric Power Board does. The TVA contribution in the way of taxes is just separate and apart from the power board's taxes. TVA's--the amount of taxes they pay to the states of Tennessee and Alabama, Mississippi is on a formula basis. That's all a part of the contract. There are some people who think TVA is too exacting and a little bit autocratic in the contract requirements that they put into effect in order to let whoever is making the contract . . .

DR. CRAWFORD: Did you have that feeling?

MR. FINLEY: Yes, I did until I understood the reasoning for it--the reasoning for it that I've disagreements with.

DR. CRAWFORD: Well, when you had disagreements with them, did you find them easy to work with?

MR. FINLEY: Yes, I've always found TVA--I always won't say easy, but they're fair to work with.

I had an experience with Senator George Norris--Uncle George, we called him. He was in Washington, of course, and very much interested in the TVA, which he created. When the Tennessee Electric Power Company sold its power system to TVA and twenty-eight associated municipalities and cooperatives, Lilienthal very wisely went to Congress to get congressional approval and get the appropriations to buy it. Lilienthal was very wise in doing that. Of course, the power companies tried to break up the agreement to sell by making all sorts of outlandish requirements on it. One of the men who was largely responsible for it is a fellow named L. J. Wilhoit. Have you ever run into Wilhoit?

DR. CRAWFORD: How do you spell his last name, sir?

MR. FINLEY: W-i-l-h-o-i-t.

DR. CRAWFORD: No, I'm not familiar with the name.

MR. FINLEY: L. J. Wilhoit. Well, he's dead now.

He was the chairman of the Electric Power Board of Chattanooga, and he had devoted a great amount of his time trying to work out this power system. He was my boss, you might say. Well, he and I were in Washington when Windel Willkie, whom we had negoti-

ated with too--he made some outlandish requirement it was, so we went down and talked to Senator Norris about it. He said, "No, we won't agree with Mr. Willkie on that. And now let me tell you boys something," he says, "I've been around Washington a long time, and I've been sitting here waiting for a lot of things to happen that are going to happen in the next few years, and we're not fixing to let Mr. Willkie or anyone else upset the chances of Norris."

You see, Mr. Wilhoit and Cap [Julius A.] Krug and Joe Swindler--I'm sure you'll run into Joe Swindler if you haven't already.

DR. CRAFTORD: Yes, I have met Joe Swindler and Cap Krug.

MR. FINLEY: Well, Joe and Cap Krug and Mr. Wilhoit

and myself--the four of us--made the agreement with Commonwealth and Southern to buy the Tennessee Electric Power Company. We made that after negotiating for three or four days a contract, so we made that agreement after negotiating with Willkie for two or three days in New York. Mr. Wilhoit was there representing the city of Chattanooga, and Cap Krug and Joe Swindler representing the TVA. I won't say that Wilhoit and myself negotiated the contract, but we put Willkie back in the contracting mood after he had fallen out in the other session. He had a session with Krug and Swindler--oh, he didn't like them any little bit--and when one of the first conferences broke up Wilhoit or myself, one, said, "Well, we've come all the way from Chattanooga. Let us sit down and visit with you a while about Chattanooga," and so he said, "Well, if you'll stay, I'll be glad to talk with you after these other gentlemen leave."

A lot of those things are recorded in a copy of the Chattanooga News--the old Chattanooga News--in 1939. We made the contract with Willkie, which was a verbal contract for a great long time, in January, and didn't get the written, signed contract completed until in August, so you can see how long. I remember when we tried to draw the contract, Willkie would make certain requirements that had to be in the contract, TVA would make certain requirements that they felt had to be in the contract, and getting those people together was like a lot of tempermental opera stars. I remember one time we were in Nashville. We tried to draw the contract in Chattanooga first, and it wouldn't work. You couldn't keep your mind on the top purpose of it, so we went to Nashville. And Lilienthal took offense at something that Willkie had said in one of the conferences, and so Lilienthal gets in an airplane and goes back to Knoxville or somewhere. And Willkie says, "Where's Lilienthal?" I said, "He got himself an airplane and has gone back to Knoxville," so Will says, "What the hell am I doing here? Get me an airplane."

DR. CRAWFORD: You remember when that was, sir?

MR. FINLEY: That was in 1939.

DR. CRAWFORD: Were you negotiating the same thing as in Chattanooga?

MR. FINLEY: What we were doing was reducing to writing the agreement to purchase the Tennessee Electric Power Company. The money had been agreed upon--\$78,600,000 had been agreed on, but writing the details of the actual contract was what we were trying to do, and of course, you had to have a contract in

writing. Have you ever seen one of those contracts?

DR. CRAWFORD: No, sir.

MR. FINLEY: You ought to. TVA will show you one.

DR. CRAWFORD: All right.

MR. FINLEY: They're about this thick. You can see why it took so long. We went back to New York and tried to draw the contract, so that Willkie would be available because he had to okay everything the power was agreeing to.

I remember one very interesting thing. We had been negotiating, and Joe Swindler would remember this, I can't think who the Tennessee Electric Power's lawyer was--Willkie's lawyer. So anyway Joe was Willkie's mentor; he was the one that really got Willkie nominated for the presidency, and Joe said, "I've got just the language, Judge (he called him Judge). He said, "All right you can read it. I listened to it, but I'll tell you now I'm against it--before you read it I won't agree to it."

DR. CRAWFORD: Why were people getting along so badly in those negotiations?

MR. FINLEY: I don't really know, except that Willkie didn't want to sell. He wasn't exactly forced to sell. I don't agree that Willkie was forced to sell. He wasn't, and he got a good price for his system. The price was arrived at by negotiation. Willkie started out wanting us to pay him 106 million dollars and TVA's appraisal of the property was 55 million. So they were 55 million and 106 million and the final agreed upon figure, between that,

was \$78,600,000. The city of Chattanooga paid \$10 million and some of it, Nashville, who didn't want a publicly owned power system, and I know that Nashville would have been willing to break it up; to void the contract and get away from the whole thing. And somebody--I don't know who it was--talked the matter over with Prentiss Cooper, and Cooper sent word to Nashville that if they didn't sign the contract and stand that he would put a public power district--put Nashville in in that way, and that brought them to sign very quickly.

DR. CRAWFORD: Did Windel Willkie think the price agreed upon was fair? Was he willing to accept it?

MR. FINLEY: Well, I'll tell you, the best way I can answer that is after we had bought out, and I remember when Willkie came to Chattanooga for some reason, he came by my office over there to speak to me. I appreciated him doing that, but I knew him quite well. In fact, he tried to hire me; he offered me a job, but I didn't want it. But he made this remark: He said, "States, you know we would have taken less than y'all paid us for the Tennessee Electric Power System." I said, "Well, that might be, and if it would have made you happy, we'd have paid more than we did, so if you're happy; we are," and he laughed.

DR. CRAWFORD: Then, you did think it was a fair price?

MR. FINLEY: Yes, it was a fair price, but if they paid off the bondholders and the preferred stock owners--100 cents on the dollar and left 7 million dollars for the common

stock, we'd have nothing but wind and water, and the owners of the Commonwealth and Southern Holding Company--they had all the common stock in it. So, I'd say, yes, they got a fair price for it.

DR. CRAWFORD: What did you think of Wendel Willkie as a person? How did he impress you?

MR. FINLEY: He did not want to sell his power company. He felt, and I think that he honestly felt, that the matter of furnishing electricity ought to be done by private corporations and not by government.

DR. CRAWFORD: Did you find him to be fair? Was he an easy person to work with?

MR. FINLEY: Yes, I never had any trouble with him.

DR. CRAWFORD: Did you consider him a good candidate for the presidency in 1940?

MR. FINLEY: No, I didn't. I didn't vote for him and I didn't think he was.

DR. CRAWFORD: Why not, sir, on the basis of your knowledge of him as a person?

MR. FINLEY: The man's gone now: I just didn't believe that he had the public interest enough in his heart and mind to be a good president of the United States. In fact, Willkie asked me one time, he said, "Why wasn't I elected president, States? Tell me that." I said, "I don't know, but I would say that just enough people didn't want you to be president, so they didn't vote for you."

DR. CRAWFORD: When did he ask you that, sir? What was the occasion?

MR. FINLEY: That was right after he had been nominated for president in 1940, and had been defeated by Roosevelt, I believe it was, wasn't it?

DR. CRAWFORD: Yes, in 1940. Was that soon after the election?

MR. FINLEY: Right after the election.

DR. CRAWFORD: Did you continue to see him afterwards?

MR. FINLEY: Upon occasional visits to New York, I would go by his office, and if he was there, he was always willing to speak and say hello. I don't want to give the impression that I was a close personal friend of Willkie's because I wasn't . . .

DR. CRAWFORD: Still, you worked with him in negotiating for Chattanooga?

MR. FINLEY: Yes, Wilhoit and myself. The Chattanooga News wrote that whole thing up along somewhere in January. I'll tell you what Willkie did after we had agreed on the price of 78 million dollars. The Commonwealth and Southern had the streetcar companies left--streetcars in Chattanooga and Nashville. They had two very small power companies that they were selling power to at wholesale, and Willkie often told Wilhoit and I: he said, "I don't have anything left in Tennessee except these little companies." He said, "I want to get out of business. Wilhoit, I'll sell these to you for 2 mil-

lion dollars," and Wilhoit said, "You know we couldn't buy them from you; we come up here to negotiate for this other. If we buy any part for our personal gain--any personal property--people would scream, "Oh, yes!"

And we weren't interested in buying it. Willkie was very shrewd.

DR. CRAWFORD: Did you have any reservations about the verbal contract with him; that he made one and then might break it later?

MR. FINLEY: No. No. I know there was some controversy. Willkie turned to me, and he said, "Now, haven't I done everything that I agreed to do?" I said, "You have. I said, "Some of the things that you hadn't agreed to, won't agree to, you might very well agree because they're part of the whole thing, but you've done everything you said you would do."

DR. CRAWFORD: How long did you work for Electric Power Board?

MR. FINLEY: I worked for them until I retired in . . . I think I've been out four years now. You see, I was the first employee of the Electric Power Board of Chattanooga, and when I retired I was made Chairman of the Electric Power Board of Chattanooga, and I served five years. Those five years were up in 1968. I've been out of being chairman four or five years. When you are retired, you don't worry too much about time.

DR. CRAWFORD: What did your duties consist of mainly after you had negotiated these contracts?

MR. FINLEY: We took over the city of Chattanooga. I

think it was \$10,800,000 we paid for our share, 35,000 customers, and we didn't buy so many poles and so many transformers, and so many meters; we bought all the electric service facilities of the Tennessee Electric Power Company included in the territory around Chattanooga where we were serving. In other words, we didn't count the meters, and say we've got 35,000 meters. We said, 35,000 customers, and bought all the equipment which was serving them. We had built, at the time we consummated the contract to purchase this power company, a couple million dollars worth of power system, and there was the job of consolidating what we had built, which had already been built without any . . . I mean we didn't actually buy it. We had to build up the organization, hiring people and we employed . . . most of the people were working for the Tennessee Electric Power Company although I had an engineering staff of about 140 men and women at the time we made the agreement to buy it.

DR. CRAWFORD:

Your relationship with TVA in this time was mainly that of purchaser of power, is that right?

MR. FINLEY:

That's right; it's always been that. TVA has never exercised any authority over the mechanics of how we did things--who we employed or how much we paid them --the TVA never had any activity in that direction.

DR. CRAWFORD:

So your official connection with them was mainly negotiation of contracts concerning the purchase of power?

MR. FINLEY:

That's right.

DR. CRAWFORD: During this time, Mr. Finley, you became known as one of TVA's best friends in the area. Why do you suppose that's true? What else did you do other than simply purchase power from them?

MR. FINLEY: Well, one thing; I made speeches all over the country about TVA. I had some wonderful experiences in that. I've been before a good many congressional committees, both of the House and the Senate--mostly of the Senate--in connection with legislation affecting TVA, and then we built up an organization called the Tennessee Valley Public Power Association and . . . Have you got a fellow (this is off the record) J. Wiley Bowers on your list?

DR. CRAWFORD: No, sir. I believe I have not.

MR. FINLEY: He is Executive Director of the Tennessee Valley Public Power Association, which is the trade organization, you might call it--the organization to which all of the municipalities and cooperatives who purchase TVA power and make up the membership. You ought to talk to Bowers.

DR. CRAWFORD: How do you spell the name, sir?

MR. FINLEY: B-o-w-e-r-s. His name is Wiley Bowers; he had offices in Chattanooga in the Pioneer Bank Building, Chattanooga, Tennessee.

DR. CRAWFORD: In the Pioneer Bank Building?

MR. FINLEY: Yes, sir.

DR. CRAWFORD: About how old is he?

MR. FINLEY: I would say Wiley is fifty-five years of age.

DR. CRAWFORD: And what is his title?

MR. FINLEY: Executive Director of the Tennessee Valley
Public Power Association.

DR. CRAWFORD: Do you know how long he's held that job?

MR. FINLEY: He's held it for twenty or twenty-five
years because I hired him and put him in
the job. Another man and myself organized the power association, and I
had had Wiley in mind to run it. We organized this association in order
to keep the municipalities and rural electric cooperatives from really,
you might say, going to see him. Do you know what I mean by "going to
see him"---Not being interested in the principles behind the development
of TVA and the power supply.

DR. CRAWFORD: And the Tennessee Public Power Association
is composed of all the purchasers of TVA
power?

MR. FINLEY: There are 150 purchasers of TVA power--
municipalities and cooperatives--and may-
be one or two who don't join, who don't belong, and TVA had no part in
the organization of it. TVA had no part in the running of it. It is
entirely separate and apart from TVA.

DR. CRAWFORD: Whose idea was this, sir?

MR. FINLEY: Well, I had had some power association
experience when I worked for a private
power company before the Chattanooga operation. I was the first president

of it and the chairman of the organizing committee. There were two or three other people very much interested. Bowers wasn't available at that time. A fellow named Floyd Jones, who works for the Rural Electric Administration in Washington, and a fellow named Bill Saxton down at the University of Mississippi--there were about five of us. I was the chairman. Usually the chairman should follow his responsibility . . . We were very anxious to have an association that would serve as a meeting ground for the cooperatives and the municipalities. We didn't want them to get . . . doing this at each other. There had been some of that fighting.

DR. CRAWFORD: Why were they competing with one another?

What had been the cause of this?

MR. FINELY: Well, we had one municipality who didn't want to take any rural lines--serve any rural customers--and the cooperative built their lines and cooperated to serve these people. And then because the business looked like it was good business, the municipality just built a line out and took the meters off of the cooperative lines and put up a meter of their own. We had some of that.

DR. CRAWFORD: They were competing over territory, then?

MR. FINLEY: Yes, competing over territory. They gave us a vehicle and we could do certain things for TVA that TVA couldn't, or wouldn't, or didn't want to do themselves.

DR. CRAWFORD: Still, this was not controlled by TVA?

MR. FINLEY: No, not controlled by TVA, but to show you what we had; we had a requirement that there should be ten members of the Board of Directors, five of whom should come from cooperatives and five from municipalities. In other words, we kept the membership on the board equally balanced, which prevents any one segment from getting control of it.

DR. CRAWFORD: Did you have frequent elections?

MR. FINLEY: Every year, and I think the Board of Directors was elected every two years.

DR. CRAWFORD: Did you have an annual meeting?

MR. FINLEY: Oh, yes. They're going to have a meeting in Memphis; I think maybe they've already had the meeting in Memphis. The City of Memphis belongs to the association.

DR. CRAWFORD: Yes, sir. That may have been the one that they had at the Peabody Hotel earlier this year.

MR. FINLEY: Yes.

DR. CRAWFORD: Was this your idea originally?

MR. FINLEY: I wouldn't want to take exclusive credit. I'd say a number of us had the idea.

DR. CRAWFORD: And you forget the other people who did, then?

MR. FINLEY: I was forgetting what occasion it was. When we had bought out the power company

there were a bunch of people interested in publicly-owned electricity having a meeting in Washington, and out of this meeting came the idea that we ought to develop the Power Association to give us vehicles to carry forward the program of publicly-owned power, and I remember the meeting was held in the basement of the Lafayette Hotel in Washington, in the beer garden, I think it was.

DR. CRAWFORD: It's a very nice hotel. I stayed there last year but I believe they're tearing it down this year.

MR. FINLEY: They're tearing it down?

DR. CRAWFORD: Do you remember who was at this meeting when it was decided that the establishment of such an association would be wise?

MR. FINLEY: Well, Wilhoit and myself were there. I'm not sure but what Major Allen--Thomas Allen--of Memphis wasn't there. I don't know just who all. Harry Slattery was there; he was head of the REA, the Rural Electrification Administration, at that time.

DR. CRAWFORD: In forming the Tennessee Public Power Association, who drew up the Constitution?

MR. FINLEY: I did.

DR. CRAWFORD: And did you draw up the by-laws as well?

MR. FINLEY: Yes, and they're available. It's been a very useful organization. Suppose there was legislation in Washington that we didn't like, that we thought was

detrimental to our interests--our customers' interests or our owner's interests, why we could get together, in the name of the association, a committee which was usually the same people over and over again. But it gave us a vehicle to go ahead. One important thing that this committee had; a good many people in the valley here knew that to be successful and to go ahead on a long-time basis, TVA had to have its money problems solved. TVA was getting annual appropriations from the congress and those annual appropriations were a dog fight every year, and that's where TVA was vulnerable and that's where the power companies--the United States Chamber of Commerce tried to cut TVA's throat, was through the money part of it. So we had to get some other way. We had a meeting in Knoxville; the power association asked for a meeting with TVA and somebody suggested (I don't know who it was; maybe it had been suggested before, I don't know) that we ought to put TVA on some sort of a bonding basis and get bonds. Well the association appointed a committee, and I've got a picture of that committee, and I don't remember all of them now. I turned out to be the chairman of the committee and for four years we went to congress --the United States Senate Committee, trying to get the legislation through, the bonding legislation to let TVA have bonding authority, and it was a long, bitter fight. We had lots of battles with the power company over that; they didn't want it. We realized that TVA, in order to be successful, had to have control of this money. Now TVA has got bonding authority.

DR. CRAWFORD:

Do you remember what year this was formed, sir?

MR. FINLEY: I believe it was '59. You mean the committee?

DR. CRAWFORD: The committee. Now, '59, I believe, is when they did get bonding authority, wasn't it?

MR. FINLEY: That's when they got it; that's right.

DR. CRAWFORD: I wondered how long you had to work to do this and how far ahead you were working on it.

MR. FINLEY: I know we worked on one appearance before the Public Works Committee, of which Senator Bob Kerr was the chairman, and they wanted to put all sorts of requirements in the bond indenture, just like Wilkie wanted to put them in the power contract. They wanted to give the Bureau of the Budget control over how much TVA could have. Well, you might as well give it to the Secretary of the Navy of somebody like that. We wanted TVA to be independent and free to the money markets for the program that they have. I remember I told Senator Kerr, "Senator, we might as well pack up and go back to Tennessee and come back next year," and I'd say we went before the congress for four years, making all sorts of appearances.

DR. CRAWFORD: Did you have to go to Washington often?

MR. FINLEY: I think I remember one time I went to Washington twenty times in one year. I never was registered in the lobbyists. They didn't have the lobbying hall when I was there.

DR. CRAWFORD: How did you fund this activity, sir? Did you have dues in the Tennessee Public Power Association?

MR. FINLEY: We had dues and my board paid my own way because of our interests that these things be done or not be done.

DR. CRAWFORD: Now, was this the board of the Tennessee Public Power Association?

MR. FINLEY: No, the boards of all the different associations. Major Allen's board would pay his expenses to Washington and my board would pay my expenses to Washington.

DR. CRAWFORD: The Electric Power Board?

MR. FINLEY: Yes, the membership paid their own representatives' expenses. We got up petitions when we wanted to have Clapp reappointed and got 65,000 names on it. We put them in a box about that high and the committee took those to Washington. John Sherman Cooper got up in front of President Eisenhower and was going to present these petitions to him to reappoint Clapp, and you can't beat nobody with nobody. If you're going to beat somebody, you've got to have a candidate, so we had Gordon Clapp as our candidate to be reappointed on the TVA Board. We took all these petitions in a big box and took them up there and went down to the White House. John Sherman Cooper arranged a meeting with the president. Sherman Adams didn't want us to meet the president. (Laughter)

DR. CRAWFORD: I believe he was not friendly toward TVA.

MR. FINLEY: No, he wasn't, but we got in. I had this little speech all written up. That's the way you do when you go to the White House to speak before the president, and I said, "Mr. President or General Eisenhower (whatever I called him), I said, "We have a little statement here we would like to leave with your interest and the record, and do you want me to leave it? I think we've had a good time here and we've got these petitions here. Do you want me to read it?" He said, "Go ahead and read it. I'll be very interested to listen to it," and so I read this not over five-minute talk and I answered some questions. There weren't very many questions asked, and shortly afterwards we took the petitions in this box, and I heaved it up on top of the president's desk there. I don't know what they ever did with them; they probably threw them in the Potomac River. (Laughter)

DR. CRAWFORD: Had you collected the 65,000 names within the limits of the Tennessee Valley?

MR. FINLEY: Yes, in North Alabama in some of those small towns I would just put a card table out on the sidewalk and those people didn't know what they were signing. (Laughter)

DR. CRAWFORD: Do you remember what year this was?

MR. FINLEY: No, I don't. Bowers could tell you.

DR. CRAWFORD: Was it about '54?

MR. FINLEY: Somewhere along in there.

DR. CRAWFORD: Did you really have trouble getting Gordon Clapp reappointed?

MR. FINLEY: No, he wasn't, but we got in. I had this little speech all written up. That's the way you do when you go to the White House to speak before the president, and I said, "Mr. President or General Eisenhower (whatever I called him), I said, "We have a little statement here we would like to leave with your interest and the record, and do you want me to leave it? I think we've had a good time here and we've got these petitions here. Do you want me to read it?" He said, "Go ahead and read it. I'll be very interested to listen to it," and so I read this not over five-minute talk and I answered some questions. There weren't very many questions asked, and shortly afterwards we took the petitions in this box, and I heaved it up on top of the president's desk there. I don't know what they ever did with them; they probably threw them in the Potomac River. (Laughter)

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DR. CRAWFORD: Did you really have trouble getting Gordon Clapp reappointed?

MR. FINLEY: No, but we wanted to make a record of us trying to get him. No, we knew he wasn't going to be reappointed.

DR. CRAWFORD: Why, did you feel that the president was going to appoint his own person?

MR. FINLEY: Well, Eisenhower was willing to sell TVA. He made that statement, you know.

DR. CRAWFORD: Emmet Hughes in his book, The Ordeal of Power, quotes Eisenhower's speech against TVA.

MR. FINLEY: Oh, very definitely. This fellow who wrote the book that you're talking about . . .

DR. CRAWFORD: Tom McGraw?

MR. FINLEY: Tom McGram--he quoted him, but I forget when it was.

DR. CRAWFORD: I believe he quotes several presidents about TVA, including Eisenhower.

MR. FINLEY: Sherman Adams came in about that time to shush us out of the president's office, you know, and he was listening to what I was saying. So we got outside the door and I told him, I said, "Sherman Adams, we would like to have our picture taken with the President," and he said, "No, no, we can't have anything like that." So I walked back in the President's office and I said, "Mr. President, if you have the time, we would like to have our picture taken presenting these petitions to you. Otherwise, people

But the Tennessee Valley Public Power Association was very useful and it's been very helpful to TVA. You just say to them, "You scratch my back and I'll scratch your back."

DR. CRAWFORD: Well, they produced the power and you distributed it, so there is a connection, certainly.

MR. FINLEY: But TVA had no part in the forming of it; they were told what we were doing.

THIS IS THE ORAL HISTORY RESEARCH OFFICE OF MEMPHIS STATE UNIVERSITY. THIS PROJECT IS "AN ORAL HISTORY OF THE TENNESSEE VALLEY AUTHORITY." THE PLACE IS CHATTANOOGA, TENNESSEE. THE DATE IS JULY 23, 1971, AND THIS IS INTERVIEW NUMBER TWO WITH MR. STATES RIGHTS FINLEY. THE INTERVIEW IS BY DR. CHARLES W. CRAWFORD, DIRECTOR OF THE MEMPHIS STATE UNIVERSITY ORAL HISTORY RESEARCH OFFICE, AND WAS TRANSCRIBED BY MRS. BRENDA P. MEIER.

DR. CRAWFORD: Mr. Finley, we were talking about your work in connection with the Tennessee Public Power Association and the service that gave to TVA. I'd like to find out more about the work you did in that capacity, but before we get to that may I ask a little more about the formation and the early leadership of the Tennessee Public Power Association? I know that you did select Mr. Bowers as the Executive Director. What was his background; why did you select him?

MR. FINLEY: Bowers had done safety and accident prevention work and was use to working in an association atmosphere. I believe at one time he went to the Far East with the army as a Safety Engineer.

DR. CRAWFORD: What other qualities did he have that you have valued for this position?

MR. FINLEY: He was interested in the program of the

Tennessee Valley Authority, and I knew him well enough to know that he was very loyal to the program; that is, he was loyal to the principles on which TVA was built, and he was morally and intellectually honest.

DR. CRAWFORD: How much did TVA know about this association at the time you were planning it?

MR. FINLEY: They merely knew that we were planning to develop such an association and the general ideas--whether they made any suggestions or not I don't know. If there were, they were very minimal.

DR. CRAWFORD: Did they do anything to either encourage or discourage your doing this?

MR. FINLEY: No. There have been times, I think, and I don't recall the instances, when TVA perhaps did not look with extreme favor on some of the activities of the association.

DR. CRAWFORD: In general, though, I would believe that your work has been of great value to TVA.

MR. FINLEY: It has been.

DR. CRAWFORD: In regard to your work in Washington, Mr. Finley, can you tell me what you believe were the more useful contributions to TVA that you made there?

MR. FINLEY: You must bear in mind that what I say is not attributable to me personally.

I was only a part of a movement, and maybe I was the chairman or the

guiding spirit of it, but the activity was not something individually, personally of mine. The thing I think our association did most of all for TVA, for the benefit of the TVA, was to carry forward what we called the revenue bond proposal and enact that into law. That was a very valuable service that the association rendered to the people of the Tennessee Valley in getting bonding authority that did not cripple, or did not change the principles on which TVA was formed.

DR. CRAWFORD: What were you able to do in securing the passage of the Revenue Bonding Act?

MR. FINLEY: It was just a matter of encouraging and aiding and abetting our representatives in the congress--men like Bob Jones from Alabama, Estes Kefauver, Lister Hill from Alabama, John Sparkman, and Cliff Davis of Memphis was very helpful.

DR. CRAWFORD: How were you able to help them, sir?

MR. FINLEY: By just pointing out to them the urgency of getting TVA to have bonding authority and not be responsible to the congress for appropriations.

DR. CRAWFORD: Did you have difficulty convincing them of this?

MR. FINLEY: Some of them felt that the congress should make appropriations and should have control over TVA by their appropriations. I won't say who they were because I don't want to call any such names.

DR. CRAWFORD: Well, that position is understandable, I

suppose, since they weren't members of congress--that they would like to keep control over it.

MR. FINLEY: I know of no instance where there was any political patronage incorporated in anything that TVA did. In fact, I think TVA fell over backwards in many of its activities of programs to make sure they were non-political.

DR. CRAWFORD: But you were free to lobby as you felt needed in congress, weren't you?

MR. FINLEY: Oh, yes. Yes, indeed.

DR. CRAWFORD: Did you generally make these trips to Washington or did others usually attend?

MR. FINLEY: I was only one of many who made these trips to Washington. Sometimes I got them up and organized them; sometimes we would leave that to Bowers, the association director, to arrange them.

DR. CRAWFORD: Did you lobby with congressmen who were not from the TVA area.

MR. FINLEY: Oh, yes. I called on a number of them.

Of course, TVA had many what I would call "latent" friends in the congress which our members of congress can talk to and find out how they stand or sometimes, why if somebody is talking to them, they would be outright in their opposition to it. There was a congressman named Jonas over in the Charlotte, North Carolina district, one of TVA's most energetic adversaries.

DR. CRAWFORD: Do you know why he was such an energetic

adversary?

MR. FINLEY: No, he just believed that. He had been to too many National Chamber of Commerce meetings. The United States Chamber of Commerce, of course, was a bitter enemy of TVA.

DR. CRAWFORD: You were not a member of the Chamber of Commerce, I believe, but you were a member of Kiwanis.

MR. FINLEY: No, I didn't belong and our board did not belong to the local Chamber of Commerce simply because the United States Chamber of Commerce has never been a supporter of the TVA principle or ideas, and on many instances has offered testimony before the congress that would do away with TVA.

DR. CRAWFORD: Well, did you have any of this in Kiwanis?

MR. FINLEY: No, we had none of it in Kiwanis widespread. We had a resolution presented to the Kiwanis International Convention one time that more or less got in there by mistake, and those of us in the Kiwanis were fortunate enough to be able to have this resolution withdrawn.

DR. CRAWFORD: Can you tell about the circumstances of your discovery of that resolution and your securing its withdrawal?

MR. FINLEY: I got a copy of the resolution because I was what we called in Kiwanis, a district governor of the Kentucky and Tennessee area, and as governor I got a

preliminary copy of the resolutions that the Resolutions Committee was going to present to the Convention. And much to my surprise, part of these resolutions was a statement condemning the TVA and more or less advocating that it be sold and done away with.

DR. CRAWFORD: Where were you when you discovered this resolution?

MR. FINLEY: I was down here in Chattanooga, and I organized opposition to it and got a committee up and went to New York to the convention. We were going anyway. We went before the Resolutions Committee and had the resolution withdrawn. Governor Frank Clement and E. B. Stahlman, Jr., both of whom were Kiwanis, were very instrumental in appearances before the committee.

DR. CRAWFORD: Who was Mr. Stahlman now?

MR. FINLEY: E. B. Stahlman, Jr., was the treasurer of the Nashville Banner in Nashville. E. B. Stahlman, quite frankly, had never been a supporter of the TVA program. This, of course, was true of many people in the Tennessee Valley.

DR. CRAWFORD: Well, where was this convention to be held?

MR. FINLEY: Madison Square Garden in New York.

DR. CRAWFORD: And what did you do to deal with the resolution?

MR. FINLEY: We took a group down and appeared before the Resolutions Committee, and

fortunately we got a commitment out of the President of Kiwanis that the committee would withdraw the resolution. He did that . . . as he stated, he didn't want his last act of the convention to be of discord and have a fight. I told him, "If you don't withdraw that resolution, you're going to have the worst dog fight you ever saw right here in Madison Square Garden. I've got the Governor" and the resolution wasn't important.

DR. CRAWFORD: And what was done with the resolution?

MR. FINLEY: It was withdrawn. Under the rules of Kiwanis, a resolution has to be withdrawn only on orders of the convention. The committee couldn't do it, so when the committee presented the resolution to the convention, there was a substantial number of noes, and the President ruled very quickly that the noes have it and the resolution is withdrawn.

DR. CRAWFORD: And the fight was thus prevented.

MR. FINLEY: Yes, and the fight was thus prevented.

DR. CRAWFORD: Did you find out how the resolution happened to be introduced?

MR. FINLEY: A Kiwanian from out in the state of Washington or Oregon, or somewhere told me some power company had given it to him who thought it was a good idea. We would not object to anybody discussing whether they liked it or not. Our whole point was that a Kiwanis International Convention was no place to get engaged in an economic fight. In other words, the resolution ought to go someplace where there is some interest in it.

DR. CRAWFORD: What sort of supporter of TVA was Governor

Frank Clement?

MR. FINLEY: Governor Clement was a very enthusiastic and a very active, and a loyal supporter of the principles of TVA. Upon many occasions, he rendered very valuable service to keep the TVA program from being handicapped.

DR. CRAWFORD: Were you able to secure his services for Washington testimony?

MR. FINLEY: He appeared before the Public Works Committee of the Senate--Senator Robert Kerr's committee--at our request. He came on an overnight flight from Miami, Florida to Washington, and after getting briefed as to the status of the situation of this bill before the committee, he appeared before Senator Kerr's committee and almost immediately he and Senator Kerr got into an argument over some phrases in the Bible, both of them being Methodist Sunday School teachers. And our whole purpose in having eye witnesses there was to talk this resolution to death though, and this proposed report couldn't be acted on after twelve o'clock noon.

DR. CRAWFORD: What was the proposal before the committee?

MR. FINLEY: It had to do with some phase of the bond financing plan. I forget just what.

DR. CRAWFORD: Well, did you succeed in getting that done?

MR. FINLEY: Yes. I think that the most valuable service that has been rendered by the TVA,

by the congressmen and senators from this area--not all of them, but a great majority of them--were their activities in connection with the bond financing program. TVA at one time, you know, was dependent entirely upon congress's appropriation. We didn't like that. It's not the proper way to run a program like TVA.

DR. CRAWFORD: Did you work closely with TVA or did you work with TVA at all on this bonding measure.

MR. FINLEY: Oh, yes, we worked with them, but we prepared our own information and prepared our own statements and our own reasoning. After all, you must bear in mind that TVA board members and even the TVA staff members are employees of the United States Government, and we could go before committees and say certain things and do certain things that wouldn't be apropos of a government employee.

DR. CRAWFORD: So you were able to render a very valuable service to TVA that it couldn't perform itself.

MR. FINLEY: That's right.

DR. CRAWFORD: How were the activities of the Tennessee Public Power Association financed? Did you have annual dues?

MR. FINLEY: Yes, annual dues that were fairly nominal; they were based upon the number of customers that they had or something like that. I forget; maybe it was the

gross revenues.

DR. CRAWFORD: Did that supply enough money?

MR. FINLEY: That supplied enough money to finance the activities.

DR. CRAWFORD: Did you have any trouble getting the support of the Tennessee Public Power Association for the Revenue Bonding Act?

MR. FINLEY: Oh, no we didn't have a bit of trouble. They were very much in favor of it.

DR. CRAWFORD: I'm sure you didn't know much about lobbying in Washington when you started, Mr. Finley. How did you learn to do it more effectively? What did you learn in the process?

MR. FINLEY: If you know anything about it, you just learn it by working at it and keeping at it.

DR. CRAWFORD: Who gave you the most help when you were in Washington?

MR. FINLEY: That would be pretty hard to answer because help came from many, many people. In the senate, there was ~~Senator~~ Senator Lister Hill, Mr. John Sparkman, Senator Kefauver, Senator Gore, John Sherman Cooper from Kentucky, a Republican who was a very active supporter of TVA.

DR. CRAWFORD: Did your service in Washington overlap that of Senator McKellar?

MR. FINLEY: Yes, our activities in Washington--our

association's activities--came in on, you might say, the ending of Senators McKellar's service.

DR. CRAWFORD: What sort of supporter of TVA did you find him to be?

MR. FINLEY: Well, he had different ideas about TVA--Senator McKellar did--than the Enabling Act called for. It's pretty difficult to say that Senator McKellar was not in favor of TVA. It would be more appropriate, I think, to say that he felt it maybe could be run a little different and a little better than the way it was being done.

DR. CRAWFORD: Did you think patronage matters influenced his feeling to any degree?

MR. FINLEY: It probably was in the back of his mind. I think Senator McKellar's real antagonism to the TVA was personally based upon sort of a feud between he and Mr. Lilienthal, but was largely because McKellar felt, I'm sure, that his plot in TVA had never been adequately recognized. You know you can hurt a man's pride and get worse results than if you hurt his pocketbook.

DR. CRAWFORD: I believe that you tried to do something about that matter of lack of recognition.

MR. FINLEY: I made an effort to have TVA name one of their installations the Kenneth D. McKellar Steam Plant, but wasn't very successful in it. There wasn't too much enthusiasm in TVA for it, and in some areas of the congress, there wasn't too much enthusiasm for it. I merely wanted to see the man's efforts re-

cognized because after all Senator McKellar was Chairman of the Appropriations Committee and did provide the money for TVA, and lots of times he provided the money when it was pretty difficult to get the House to act on to provide the money also, you see.

DR. CRAWFORD: What did you do to try to get the new Johnsonville Steam Plant named the McKellar Steam Plant?

MR. FINLEY: I talked to Gordon Clapp about it and I talked with Estes Kefauver about it. I even talked to one of the Georgia senators. I don't want to get quoted on these and they turn up dead horses.

DR. CRAWFORD: That's all right; you don't have to go any further if you don't want to.

MR. FINLEY: I think maybe yet someday they may do that, but Senator McKellar did render a very valuable service to the TVA.

DR. CRAWFORD: Of course, TVA's installations are not all over yet. It's quite possible that something might be done.

MR. FINLEY: There are a lot of Indian tribes though
and a lot of mountains and Indian names.

DR. CRAWFORD: That's true, and there are also former directors and chairmen of the board for whom something could be named.

MR. FINLEY: TVA's been fortunate, I think, in having

leadership at the board level that was very influential in carrying out the program of TVA. Men like Lilienthal and Clapp and Red Wagner all are devoted, loyal and extremely interested in the TVA.

DR. CRAWFORD: Can you, on the basis of your experience with them, give your ideas about the effectiveness of TVA's leadership at the board level? To approach it from the positive side, which board members do you consider to have been particularly effective?

MR. FINLEY: Why, Gordon Clapp, and Dave Lilienthal, of course. Gordon Clapp and Red Wagner-- Aubrey Wagner--and I forget the names of one or two more of them. It's pretty hard for me to place an evaluation upon the services that the two other directors and Red Wagner are furnishing TVA now because I've been away from it.

DR. CRAWFORD: You worked rather closely with Gordon Clapp, I believe, didn't you?

MR. FINLEY: Oh, yes.

DR. CRAWFORD: Why do you think he was such an effective administrator? Since he died before this project started, I can't interview him, and haven't gotten a very clear picture of his contribution to TVA.

MR. FINLEY: Gordon Clapp had an intense devotion to the carrying out of what he felt was the intention of the people who drew the Enabling Act that created TVA.

Gordon Clapp had a good mind; he was very intellectual. I don't hesitate to say that I think the most intellectual man I ever knew was Dave Lilienthal. Dave is very smart. You may not agree with everything he says or does, but you've got to give him credit for having a fine mind.

DR. CRAWFORD: Did you work very closely with him?

MR. FINLEY: No, not particularly. If Dave had any faults, and I don't know of any that he had, I think it was because he didn't know how to play; he was working all the time. He didn't know how to play, but in that case, all the work did not make a dull boy out of him.

DR. CRAWFORD: He certainly was not dull.

MR. FINLEY: No.

DR. CRAWFORD: Well, what has TVA meant for Chattanooga, Mr. Finley?

MR. FINLEY: It has meant savings of millions of dollars a year in electric service bills. It has helped to create more industry by making electricity available at a very low cost. There are about 3,000 permanent TVA employees in the Chattanooga area, and of course they contribute a great deal to all phases of activity in Chattanooga, as all citizens do.

DR. CRAWFORD: You seem to be a very firm supporter of TVA.

MR. FINLEY: I'd say I think it is good for us.

DR. CRAWFORD: Have there been any TVA policies with which you have disagreed?

MR. FINLEY: No. I once described TVA to somebody, "In our area it's sort of like a dose of castor oil. First they take a spoonful of TVA; then they take a small jigger-full of castor oil for TVA and they find those were good for them, so they just take the bottle and turn it up and drain the bottle." TVA has been good for many people.

DR. CRAWFORD: Did TVA have any particularly difficult times that you were able to help with? For example, how were things in the 1950's with the change from a Democratic to a Republican administration?

MR. FINLEY: Well, you've got to remember that there has been a constant fight led by the private power interests, by certain banking and insurance company interests, to be right frank about it--to do away with TVA. They don't like it. TVA was created in controversy and has lived in controversy all of these years, and eternal vigilance is a price that will have to be paid to keep the respect of TVA.

DR. CRAWFORD: Did you anticipate trouble after Eisenhower's election in 1952?

MR. FINLEY: Yes, we did. We had some trouble--not too much. General Eisenhower, you know, was quoted as saying we would sell the TVA if he thought they could get away with it. I didn't hear him say that, but he was quoted as having said that, or substantially that.

DR. CRAWFORD: Well, looking back on the Eisenhower years,

I believe he would agree that a lot of the things that were feared didn't happen. Why do you think TVA survived that period so well?

MR. FINLEY: The Eisenhower administration realized that TVA had more friends in Congress, and our Congressmen and senators in Congress were very strong in their opposition to suggestions that were detrimental to TVA.

DR. CRAWFORD: And is it fair to say that these friends in Congress were developed in part because of the work of the Tennessee Electric Power Association?

MR. FINLEY: No, I wouldn't be that vain to say that. I wouldn't say that. I would say that some of them were encouraged in their efforts to be strong.

DR. CRAWFORD: What do you believe has been the best contribution of the Tennessee Electric Power Association? Has it been to the municipalities and cooperatives or has it been to TVA?

MR. FINLEY: The association's greatest contribution has been to . . . Well, you can't hardly separate the benefits to the municipalities and cooperatives and the TVA because of interests intertwined in each other. I know this: whatever happens to TVA will eventually happen to the municipalities and cooperatives. It may take a long time to come about, but if TVA develops into a politically-minded and patronage organization, it won't be too long until that same example will be followed out in the municipalities and cooperatives, and

eventually you will have inefficient operation and poor financial results at higher rates.

DR. CRAWFORD: So it is to your interest, then, or to the interest of the association to keep TVA strong and effective.

MR. FINLEY: That's right.

DR. CRAWFORD: Mr. Finley, I'd like to ask about the speeches you made for TVA. I know that you did that often. To what groups did you speak and what sort of speeches did you make?

MR. FINLEY: Well, I made a number of speeches in the Northwest portion of the country--Seattle, Portland and Oklahoma; Georgia, Tennessee, and Alabama of course; California. Mainly they were speeches that had to do with trying to bring about an understanding and appreciation of the TVA.

DR. CRAWFORD: How did you get these speaking appointments, Mr. Finley?

MR. FINLEY: One appointment breeds another one; somebody likes your speech and thinks it ought to be made in such and such a place.

DR. CRAWFORD: Did the Tennessee Public Power Association help you get any of these speaking appointments?

MR. FINLEY: They may have.

DR. CRAWFORD: Was TVA of any help to you in this way?

MR. FINLEY: I was just trying to think whether they have

or not. They may have; I don't know--probably they have.

DR. CRAWFORD: And did you prepare your own speeches; did you have to get help?

MR. FINLEY: I prepared my own speeches and wrote every word of my own speeches and did most of the research work necessary to make sure that I was correct as to the substance.

DR. CRAWFORD: Have you had reason to change your opinions about TVA in any way as time went on?

MR. FINLEY: No, I think TVA has done an extraordinarily good job in the years that they have been in existence. They probably have made some mistakes, but none of them that I would feel are basic. They were mistakes of judgment rather than mistakes of principle.

DR. CRAWFORD: TVA has also had extraordinarily effective support from the area in which it operates for a government agency, but why do you suppose it has had that degree of support?

MR. FINLEY: It's because there is an appreciation of the value of TVA to the area.

DR. CRAWFORD: But who has organized this appreciation? What people have been most responsible for this sort of thing?

MR. FINLEY: TVA has entered into what I feel is a very difficult period now. For the first time in

their life, they are having to raise rates. Inflation has caught up with them just the same as it catches up with all the rest of us, and in some strange way people think that TVA should not be effected by inflation.

DR. CRAWFORD: TVA has maintained unusually low rates though, throughout the whole period.

MR. FINLEY: Yes, they've been able to bring about low rates compared to rates that are charged for similar services in other sections of the country. Now that condition is beginning to change slightly.

DR. CRAWFORD: Why do you feel it is changing, Mr. Finley?

MR. FINLEY: Well, on account of TVA's distributors . . .
You've got to realize that there are 150 units distributing TVA power and collecting money for it, and they all buy their power from TVA as a part of their expenses. Now, I think TVA's labor costs have increased, and I say this without exact knowledge of the facts, but it's my impression that TVA and their distributors' labor costs are increasing faster than the rest of the country for similar work.

DR. CRAWFORD: What has been the most satisfying part of your experience with TVA?

MR. FINLEY: I'd say that the incident in which I got the most satisfaction and pleasure was any contribution I might have made to getting TVA on a revenue bond basis instead of the appropriation basis.

DR. CRAWFORD: Thank you, Mr. Finley.





